

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: September 26, 2019 Board Meeting
Date: September 18, 2019

I. Financial Reports and Budget—Action

1. The August 2019 Financial Statement is attached. Net assets as of August 31, 2019 are \$1,259,660.66, with \$793,610.60 in cash (\$185,902 restricted).
2. All Emergency Repair and CDBG expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
 - ✓ Total revenues from property sales: \$265,145
 - ✓ Emergency Repair expenditures since August 2016: \$67,080
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$185,902
3. An Expenditure Approval list and bank/SBA statements are attached.
4. The annual fee from Lakes at San Marcos (\$31,879.11) was received in September and is not reflected in these financials.
5. **Recommendations: None**
 - Accept Financial Statements
 - Approve expenditures detailed on Expenditure Approval list.

II. Proposed Budget for FY 2019-2020—Action

1. A proposed FY 19-20 budget is attached. It is based upon previous Board decisions related to funding County programs/activities, and upon projected income and expenses for other items.
2. Items for decision:
 - Florida ALHFA Membership: Currently Inactive Member (\$500), Suggest Change to Active Issuer (\$1,000)
 - SEE Contribution: Currently \$2,500, need to discuss keeping at that level or increasing
 - Florida ALHFA Conference Sponsorship: Currently Silver (\$1,000), need to discuss keeping at that level or increasing to Gold (\$2,500)
3. **Recommendation:** Consider approval proposed FY 19-20 budget.

III. Multi-Family Bond Application: Magnolia Terrace—Informational

1. An application for bond financing for the acquisition and rehabilitation of Magnolia Terrace was received and approved to move through the HFA process. The development was induced and will proceed through credit underwriting. TEFRA approval was obtained on May 28, and the allocation has been received (\$13,000,000).
2. The tentative closing date is October, but that is not likely to hold.
3. **Recommendation:** None.

Name	Magnolia Terrace
Owner Entity*	LIH Magnolia Terrace, LP
Developer/Location	Levy Affiliated Holdings Santa Monica, CA 90401
Type	Acquisition and Rehabilitation Garden
Street Address	509 East Magnolia Dr, Tallahassee, FL 32301
County Commission District	District 1, Bill Proctor
Units	108
Bedrooms	232
# of Buildings	17, 15 residential, 1 community room, and 1 office/laundry
# of Stories	2
Bond Request	\$13,000,000 \$120,370/unit
TEFRA Approval	5-28-19
Total Cost	\$20,178,702
Cost Per Unit	\$186,840
Land Cost	\$720,000 \$6,666//unit
Acquisition of Building Cost	\$8,280,000 \$76,667/unit
Hard Construction Cost	\$5,352,925 \$49,564/unit
General Contractor	Wilshire Pacific Builders, LLC
Credit Enhancement	TBD
Set-Aside Period	30 years: HFA requires 50 years
Set-Aside Levels	40% of the 108 units <60AMI—Tax Credits 100% <60% AMI

IV. Emergency Repair Program—Informational

1. The HFA authorized an emergency repair program, for minor repairs that need immediate attention—and are not covered by the County’s SHIP Program. A total of \$45,000 has been committed for FY 18-19. Individual repairs are limited to \$1,650 per home (\$7,500 for senior or persons with special needs that reside in mobile homes).
2. Of the FY 18-19 allocation, \$11,250 was funded in September and the remaining \$18,750 of the initial allocation in April. The additional \$15,000 was funded in July. As of September 1, all funds are committed.
3. **Recommendation:** None.

V. Real Estate—Informational

1. The Real Estate Division is responsible for selling surplus properties designated for affordable housing, with proceeds of the sale coming to the HFA.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of August 28, 2019, sales of 24 properties by Ketcham Realty have generated \$158,043 to the HFA. The new total is now \$265,145

Property	Sales Price	Ketcham Fee	HFA	Deposit
1506 Crown Ridge Road	\$ 8,100	\$ 1,500	\$ 6,600	5/10/2019
2997 Lilly Road	\$ 8,100	\$ 1,500	\$ 6,600	5/10/2019
4060 Morgan Road	\$ 7,000	\$ 1,500	\$ 5,500	5/10/2019
4037 Bishop Road	\$ 8,000	\$ 1,500	\$ 6,500	5/10/2019
4033 Bishop Road	\$ 8,000	\$ 1,500	\$ 6,500	5/10/2019
4043 Buster Road	\$ 8,000	\$ 1,500	\$ 6,500	5/10/2019
2575 Tiny Leaf Road	\$ 4,000	\$ 1,000	\$ 3,000	5/17/2019
1209 Southern Street	\$ 3,000	\$ -	\$ 3,000	5/17/2019
4065 Morgan Road	\$ 7,000	\$ 123	\$ 6,877	6/5/2019
Monday Road	\$ 15,000	\$ 179	\$ 14,821	6/5/2019
12513 Forest Acres Trail	\$ 9,500	\$ -	\$ 9,500	6/5/2019
2993 Lilly Road	\$ 8,100	\$ 1,500	\$ 6,600	6/13/2019
714 Stafford Street	\$ 15,000	\$ 55	\$ 14,945	6/28/2019
2123 Flipper Street	\$ 4,000	\$ 1,500	\$ 2,500	7/26/2019
Lilly Road	\$ 7,000	\$ 123	\$ 6,877	7/26/2019
Craft Street	\$ 6,000	\$ 116	\$ 5,884	7/26/2019
3529 Sunburst Loop	\$ 4,000	\$ 102	\$ 3,898	7/26/2019
Moore Woods Rd	\$ 7,000	\$ 122	\$ 6,878	7/26/2019
7322 Poplar Drive	\$ 9,000	\$ 1,817	\$ 7,183	8/13/2019
1017 Dover Street	\$ 6,750	\$ 905	\$ 5,845	8/28/2019
Abraham Street	\$ 6,750	\$ 905	\$ 5,845	8/28/2019
1118 Clay Street	\$ 6,750	\$ 905	\$ 5,845	8/28/2019
Calloway Street	\$ 6,750	\$ 905	\$ 5,845	8/28/2019
Delaware Street	\$ 6,000	\$ 1,500	\$ 4,500	8/28/2019
TOTAL	\$ 145,800	\$ 15,637	\$ 158,043	

3. **Recommendation:** None.

VI. Legal Update—Informational

1. HFA Counsel will report on their activities.
2. **Recommendation:** None.

VII. Orange Avenue Redevelopment Project—Informational

1. The Board directed the Administrator to invite a representative of the Orange Avenue Redevelopment Project to an HFA meeting to discuss financing opportunities.
2. Mr. Hendrickson met with Michael Parker (City of Tallahassee) to discuss the development and provided a pro forma of a bond deal for a similar public housing redevelopment. The City will be discussing the need for the utilization of bond financing with the developer.
3. Chairman Lewis and Mr. Hendrickson met with representatives of the Tallahassee Housing Authority on August 16, who indicated they would be submitting a Bond-SAIL application.
4. Subsequently, THA’s consultant communicated that Columbia Residential and THA had decided not to pursue an application this year.
5. **Recommendation:** None.

VIII. To-Do List—Informational

To-Do Item	HFA	Admin	CAO	SL	NBN	Status	Completed
May 2019							
The Board directed the Administrator to identify existing 9% Housing Credit deals that might be ready to recapitalize, and to let the owners know that the HFA is available for bond financing.		X				Developments identified; finding contact information for outreach	In Process
June 2019							
The Board asked staff to determine why the Ketcham fee was lower on seven of the properties where payment had been received in June		X				Not completed	
August 2018							
The Board directed the Administrator to (1) obtain a status report on the property donated to Habitat to Humanity, and (2) obtain list of any units donated or being considered for donation to the Community Land Trust.		X				Not completed	
The Board directed the Administrator to research who is buying the properties that have been sold.		X				Not completed	

IX. State Legislative Update—Informational

1. The 2020 legislative session begins in January, with committee meetings beginning in September.
2. The focus will be on maintaining support for full funding from the Governor and Senate, and attempting to move the House to the same position.
3. The P5 Group and Bascom Communications have been retained.
4. Based upon the August 2019 Revenue Estimate, \$350.77 million will be available from the Housing Trust Funds for FY 20-21 appropriations. SHIP is \$245.8 million and FHFC Programs (SAIL) \$104.97 million.
5. The full-funding SHIP distribution by County/City has been generated and is attached. With full funding, \$3,493,730 would come to Tallahassee-Leon County, with the County receiving \$1,194,506 and the City of Tallahassee \$2,299,224.
6. The legislator one-pagers are available at www.sadowskicoalition.com
A copy is in the Board Packet.
7. **Recommendations:** Meet with legislators.